

Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-10 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SPC-03 SS-20 STR-08 TRSE-00 PA-04 PRS-01

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FM AMEMBASSY ROME

TO SECSTATE WASHDC 3312

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY OBE HAGUE

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY TOKYO

USMISSION OECD PARIS

USMISSION EC BRUSSELS

C O N F I D E N T I A L ROME 2263

E.O. 11652: GDS

TAGS: ENRG, IT

SUBJECT: ENERGY: FIRST COMMENTS ON WASHINGTON ENERGY CONFERENCE

1. ECON-COMM MINISTER SAW GUAZZARONI DIR-GEN ECONOMIC AFFAIRS
MFA AND GOI COORDINATOR FOR WASHINGTON ENERGY CONFERENCE EVENING
FEBRUARY 15 FOR FIRST REVIEW OF GOI REACTIONS TO WASHINGTON ENERGY
CONFERENCE. HIS VIEWS HAVE FEW SURPRISES.

2. GUAZZARONI SAID THAT THE GOI WORKED HARD FOR A UNIFIED EC POSI-
TION ACCEPTABLE TO FRANCE AND WAS DISAPPOINTED IN FRENCH OBDURACY,
PARTICULARLY SINCE THE UNIFIED EC POSITION WAS IMPORTANT, NOT
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ONLY FOR THE CONFERENCE BUT IN DEALING WITH PRODUCER COUNTRIES.

THIS SAID, ON GOI IS PLEASED THAT THE FINAL COMMUNIQUE FOCUSED ATTENTION ON THE MONETARY AND FINANCIAL AS WELL AS THE ENERGY ASPECTS OF THE OIL SITUATION AND EXAMINED THE NEED FOR INTERNATIONAL COOPERATION.

3. GUAZZARONI STRESSED THAT ITALY IS FIRMLY OPPOSED TO ANY RECOURSE TO TRADE PROTECTION OR TO COMPETITIVE DEVALUATIONS. HE EXPLAINED THE FRENCH ABSTENTION ON THESE POINTS IN THE COMMUNIQUE AS ATTRIBUTABLE SOLELY TO JOBERT'S INSTRUCTIONS, WHICH DID NOT INCLUDE COMPETENCE IN THE MONETARY FIELD.

4. GUAZZARONI IN PARTICULAR STRESSED THAT THE GOI IS HAPPY OVER THE WORDING IN THE COMMUNIQUE AS REGARDS FURTHER MEETINGS AMONG CONSUMERS AND BETWEEN CONSUMERS AND PRODUCERS. HE COMMENTED THAT U.S. WILLINGNESS CHANGE ITS VIEWS ON THIS POINT HAD BEEN VERY IMPORTANT TO THE SUCCESS OF THE MEETING. THE EUROPEANS BELIEVE THAT PREPARATION FOR THE MEETING WITH THE PRODUCERS CAN BE DONE THROUGH EXISTING ORGANIZATIONS SUCH AS THE OECD AND THROUGH THE COORDINATING COMMITTEE. IN PARTICULAR, GOI WISHES TO AVOID ANOTHER PREPARATORY CONFERENCE OF CONSUMERS.

5. GOI MEMBERSHIP ON THE COORDINATING COMMITTEE NOT YET DECIDED. GUAZZONI SAID HE WOULD BE A LIKELY CANDIDATE TOGETHER WITH AN ALTERNATE. HE MENTIONED THAT BELGIUM WAS PLANNING TO NAME AMBASSADOR OKRENT AS ITS MEMBER.

6. GUAZZONI MENTIONED IN PASSING THAT THE GOI IS PREPARING TO EXPLAIN THE RESULTS OF THE CONFERENCE TO THE ARAB PRODUCERS TO REASSURE THEM THAT NO CONSUMERS BLOCK HAS BEEN FORMED.

7. THE QUESTION OF HOW TO INTEGRATE LDC CONSUMERS REMAINS TO BE WORKED OUT, GUAZZONI SAID, AND THERE ARE CERTAIN PROBLEMS. THE COORDINATING COMMITTEE COULD INVITE THE SECRETARY-GENERAL OF UNCTAD AND PERHAPS INVITE EACH OF THE FIVE UN REGIONAL ECONOMIC COMMISSIONS TO NOMINATE ONE COUNTRY TO REPRESENT EACH AREA. IN ANY EVENT, THE COORDINATING COMMITTEE MUST NOT INVITE INDIVIDUAL LDC CONSUMERS. THE PROBLEM, GUAZZONI SAID, IS NOT TO INCLUDE THEM BUT TO LIMIT THEIR PARTICIPATION BY WORKING THROUGH UNCTAD, THE IMF, THE IBRD AND PERHAPS OPEC.

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8. REGARDING THE EVENTUAL MEETING BETWEEN PRODUCERS AND CONSUMERS, GUAZZARONI SAID HE THOUGHT THERE WERE TWO POSSIBLE APPROACHES

ONE WOULD BE THE SHAH'S PROPOSAL FOR A MEETING BETWEEN THE OECD AND OPEC, PERHAPS EXCLUDING A FEW OECD MEMBERS SUCH AS IRELAND AND LUXEMBOURG. ALTERNATELY, THE WASHINGTON CONFERENCE PARTICIPANTS COULD MEET WITH PRODUCERS AND LDC CONSUMERS SELECTED ALONG THE LINES HE HAD DESCRIBED. GUAZZARONI BELIEVES IT IS VERY IMPORTANT

TO AVOID A UN STYLE CONFERENCE WHICH WOULD LEAD TO NOTHING. THE
PROBLEM, HE SAID, IS TO FIND CRITERIA FOR EXCLUDING INDIVIDUAL
COUNTRIES WHILE AT THE SAME TIME SAFEGUARDING THEIR
INTERESTS. VOLPE

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